NCA
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COMECON DEVELOPMENTS

ANNCR:

AMONG THE ACTIONS TAKEN AT THE RECENT BUCHAREST MEETING OF THE COUNCIL FOR MUTUAL ECONOMIC ASSISTANCE (COMECON) WAS THE ADMITTANCE OF VIETNAM AS THE TENTH MEMBER OF THE EAST EUROPEAN TRADE ORGANIZATION. VOA NEWS ANALYST JOHN ALBERT HAS THESE OBSERVATIONS.

VOICE:

THE GRANTING TO VIETNAM OF FULL COMECON MEMBERSHIP HAS PROMPTED SPECULATION THAT OTHER THIRD WORLD SOCIALIST COUNTRIES, SUCH AS ANGOLA AND LAOS, WILL ALSO SEEK MEMBERSHIP IN EAST EUROPE'S ECONOMIC BLOC. THE ADMITTANCE OF PREDOMINANTLY AGRARIAN VIETNAM, WHICH HAS LITTLE TO OFFER BUT NEEDS MUCH IN THE WAY OF MACHINERY AND TECHNOLOGY, SHOULD IMPOSE A HEAVY ECONOMIC BURDEN ON THE ORGANIZATION. IT ALSO RAISES QUESTIONS AS TO WHETHER VIETNAM HAS NOW DECIDED TO FOREGO ANY ECONOMIC ASSISTANCE FROM CHINA, PARTICULARLY IN LIGHT OF PEKING'S RECENT SUSPENSION OF CHINESE AID PROJECTS IN VIETNAM.

AS IN THE PAST, LONG-TERM ECONOMIC COOPERATION WAS AGAIN THE KEYNOTE AT THE BUCHAREST MEETING. EMPHASIS WAS PUT ON COOPERATIVE EFFORTS INVOLVING ENERGY, RAW MATERIALS, AND AGRICULTURAL PRODUCTS. AND, AS IN PREVIOUS COMECON MEETINGS, ROMANIA, FROM ALL EVIDENCE, SUCCEEDED IN BLOCKING MOVES TOWARD INTEGRATED ECONOMIC SCHEMES, FOR WHICH THE SOVIET UNION IS THE STRONGEST SUPPORTER. SOVIET PREMIER KOSYGIN, IN HIS SPEECH BEFORE THE GATHERING, EMPHASIZED COORDINATION ABOVE INTEGRATION, ALTHOUGH HE ALSO REFERRED TO THE NEED FOR "JOINT ACTIVITIES."

THE JOINT STATEMENT BY THE DELEGATION CHIEFS ALSO STRESSED THAT NONE OF THESE PROGRAMS ARE TO CONTRAVENE IN ANY WAY ECONOMIC COOPERATION WITH NON-COMMUNIST COUNTRIES.

AS FOR THE LONG DRAWN-OUT NEGOTIATIONS BETWEEN COMECON AND THE EUROPEAN ECONOMIC COMMUNITY, THE FINAL COMMUNIQUE INDICATED THAT EVEN WITHOUT FORMAL RECOGNITION OF THE COMMON MARKET, IN PRACTICE COMECON MEMBER STATES WILL NOT BE PREVENTED FROM DEALING EITHER WITH THE EUROPEAN COMMUNITY AS A WHOLE OR INDIVIDUAL MEMBER COUNTRIES.

A RECENT REPORT OF THE WEST GERMAN INSTITUTE FOR ECONOMIC RESEARCH IN BERLIN (DIW) PREDICTS THAT LOW ECONOMIC GROWTH AMONG COMECON STATES WILL PREVENT FULFILLMENT OF THE CURRENT FIVE-YEAR PLANS, WHICH RUN UNTIL 1980. THE REPORT NOTES THAT AMONG THE COMECON GROUP, ONLY HUNGARY ACHIEVED PRODUCTION TARGETS. CHRONIC LABOR SHORTAGES, IT SAYS, MAKES ANY EXPANSION OF THE ECONOMIES MAINLY DEPENDENT ON GREATER PRODUCTIVITY. IN THIS CONNECTION, A REPORT IN THE LONDON "ECONOMIST" POINTS OUT THAT THE WIDESPREAD PRACTICE OF OVERSTAFFING IN THE COMECON COUNTRIES AVOIDS THE PROBLEM OF UNEMPLOYMENT, BUT GREATLY RESTRICTS PRODUCTIVITY. THERE HAS BEEN A CONSCIOUS CHOICE, THE MAGAZINE SAYS, TO KEEP PEOPLE AT WORK AND PAY THEM POORLY.

IN THE SOVIET UNION, HOUSEWIVES ARE STILL EXHORTED TO GO TO WORK, WHILE IN OTHER COMECON COUNTRIES OLD-AGE PENSIONERS ARE ENCOURAGED TO RETURN TO WORK. ONLY HUNGARY HAS BEEN BOLDER IN EXPERIMENTING AND TRYING TO INCREASE PRODUCTIVITY WITH PAYING FEWER PEOPLE MORE MONEY. CALLED THE "AGGREATE WAGE SYSTEM," HALF THE WORKERS IN HUNGARIAN INDUSTRY WERE COVERED BY THIS SCHEME IN 1976, AND THIS YEAR IT IS PLANNED TO EXTEND COVERAGE TO 70 PERCENT OF ALL WORKERS. AT THE SAME TIME, IN ALL COMECON

COUNTRIES THERE IS A DRIVE TO INCREASE PRODUCTIVITY BY IMPROVING LABOR DISCIPLINE AND CUTTING DOWN ON THE GROWING RATE OF ABSENTEEISM.

JS/RCS